



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: July 24, 2002 REPORT NO. 02-173

ATTENTION: Natural Resources and Culture Committee
Agenda of July 31, 2002

SUBJECT: Program Management/Construction Management Services for the
Metropolitan Wastewater Department

REFERENCE: Manager's Report No. 02-104, dated May 8, 2002

SUMMARY

Issue - What actions should the City Council take regarding the approval of Program Management and Construction Management Services for the Metropolitan Wastewater Department (MWWD)?

Manager's Recommendation - Authorize the City Manager to enter into an Agreement with Earth Tech, Inc. to provide ongoing Program Management and Construction Management services to MWWD, for a period of 3 years, in an amount not to exceed \$15,000,000.

Other Recommendations - None

Fiscal Impact. The total cost of the Agreement with Earth Tech, Inc. is \$15,000,000 over a period of 3 years

Funding for the cost of this agreement is available in Sewer Revenue Funds 41506, 41508, and 41509.

BACKGROUND

The Metropolitan Wastewater Department (MWWD) treats wastewater from over 450 square miles conveyed through thousands of miles of pipe and 83 individual pump stations to the North City Water Reclamation Plant, the Point Loma Wastewater Treatment Plant, the South Bay Water Reclamation Plant, and two ocean outfalls. Solids from the wastewater treatment plants are processed at the Metro Biosolids Center located on Marine Corps Air Station (MCAS) Miramar. MWWD is committed to provide a safe, efficient, regional sewerage system while supplementing our water supply and meeting federal standards at the lowest possible cost. MWWD is further committed to Mayor Murphy's Goal No. 4, "Clean Up Our Beaches and Bay." We have reduced sewer spills by 34 % during 2001 through an aggressive program of sewer line televising, cleaning, repair, and replacement.

The Metropolitan Wastewater Department continues to upgrade the Metropolitan Sewerage System, a program that has been ongoing for the past 13 years. This upgrade is being achieved through an aggressive program of planning and research, new construction, ongoing maintenance of existing facilities, and the use of state-of-the-art technology. Over the years, MWWD has relied on consultant Program Management and Construction Management (PM/CM) services to successfully implement a \$1.2 billion program to upgrade the Metro Wastewater Treatment System. As the focus has shifted to the upgrade of the Municipal Collection System, the optimization of the operations of the collection system, and the replacement of 60 miles of sewer pipe per year starting in 2004, MWWD has continued to rely on a partnership of City and consultant staff. Most recently, in June 2001, the City entered into an agreement with HDR, Inc. to provide ongoing PM/CM services. They are providing support for our Capital Improvement Program (CIP), our Operations & Maintenance (O&M) optimization and restructuring program, and our response to the Environmental Protection Agency's (EPA) Administrative Order.

Federal Audit/Administrative Order

In calendar year 2001, the EPA conducted a comprehensive, field-level audit of MWWD's Wastewater Collections Division (WWC). On April 5, 2002, as a result of the audit, EPA issued a comprehensive Administrative Order requiring updated procedures, information systems, organizational practices, and logistical support for the City's Municipal Wastewater Collections System. A very compressed time frame is required to comply with the stipulations of the EPA's Administrative Order. The need to be responsive to the EPA, and the depth of the Administrative Order's requirements, supports MWWD's proposal for continued support in our program and construction management tasks.

DISCUSSION

Since workloads and staffing requirements can greatly fluctuate during the planning, design, and construction of new facilities and modifications to existing facilities, and given the complexity of the program, MWWD has been assisted by consultants to provide ~~both~~ PM/CM services to

supplement MWWD's staff. Besides supporting MWWD in historically traditional PM/CM Services, MWWD will require further assistance to meet new federal requirements as well as stipulations of the Administrative Order mentioned above.

HDR Engineering, Inc.

HDR has served as Program Manager/Construction Manager since June 2001. Their contract was amended in April 2002. Since awarding this Agreement, MWWD has issued 15 Task Orders which have provided all aspects of PM/CM services. Their services have been required for the upgrade, installation, and repair of the Metropolitan Sewerage System, the upgrade of the Municipal Wastewater System, and support to the Sanitary Sewer Overflow Reduction Plan. HDR has been instrumental in assisting MWWD in meeting our goal of spill reduction over the next 5 years by providing services for the planning, predesign, and construction management of our Municipal Wastewater Collection system and pump stations. Of the 15 Task Orders, four have been directly related to providing support to the WWC Division, and seven have been directly related to construction management services in support of MWWD CIP and Muni projects. The remaining four have been for program management services. The not-to-exceed funds for the HDR agreement have for the most part been committed necessitating MWWD to seek a new PM/CM as outlined in City Manager Report No. 02-104 issued on May 8, 2002.

Earth Tech, Inc.

Ongoing support is necessary to provide continuing support for our PM/CM related tasks and for implementation of Administrative Order requirements. Continued consultant services are crucial to meet various Capital Improvement Project schedules (design and construction) for the upgrade of the Municipal Wastewater System and the Metropolitan Sewerage System, as well as to support the Department's O&M requirements. In order to provide uninterrupted support, MWWD advertised for Requests for Proposals (RFPs) for a new PM/CM in February, 2002. Seven proposals were received. A selection committee was formed, and all proposals were reviewed. The committee short-listed the firms to four, and each was invited to make a presentation to the committee. Presentations and interviews were held on June 7, 2002, and Earth Tech was selected as the most qualified firm based on the RFP's scope of work.

The scope of work for the Earth Tech contract includes support in preconstruction, construction, and post construction activities. Construction Management services anticipated include: administration, management, public information support, contract document preparation, project control, estimating, procurement management, constructibility review, bidability review, public bidding support, document control, contract administration, change order and claims management, Equal Opportunity Contracting Program (EOCP) compliance support, safety and security monitoring, inspections, soil and materials testing, field surveying, hazardous materials mitigation and monitoring, equipment testing, start up, design-build procurement and management, and project close-out. Project Management services anticipated include: public

information assistance, design-build procurement, development of facility pre-design reports, planning reports, technical reviews, technical studies, pilot studies, and guideline updates.

Subcontractor Use: In keeping with the City of San Diego's policy to voluntarily provide subcontracting opportunities to all interested and qualified firms, Earth Tech, Inc. has retained the following subconsultants as members of their consultant team:

Certified Subconsultants:

Advanced Infrastructure Systems, a certified Disadvantaged Business Enterprise (DBE)
Allied Geotechnical Engineers, Inc., a certified Disadvantaged Business
Enterprise/Minority Business Enterprise (DBE/MBE)
Construction Management Services & Engineering
G Force, a certified Disadvantage Veteran Business Enterprise (DVBE)
Harbor Offshore, a certified Disadvantaged Business Enterprise/Minority Business
Enterprise (DBE/MBE)
Hunter Pacific Group, a certified Disadvantaged Business Enterprise/Woman Owned
Business (DBE/WBE)
Jacobs Civil, Inc.
Lintvedt, McColl & Associates, a certified Disadvantaged Business Enterprise/Woman
Owned Business Enterprise (DBE/WBE)
Testing Services & Inspection, a certified Disadvantaged Business Enterprise/Minority
Business Enterprise (DBE/MBE)
TEZA Design, a certified Disadvantaged Business Enterprise (DBE)
The Lawton Company, a certified Woman Owned Business (WBE)
Walls Inspection Company, a certified Woman Owned Business Enterprise (WBE)
Winstead & Company, a certified Disadvantaged Business Enterprise/Minority Business
Enterprise/Woman Owned Business Enterprise (DBE/MBE/WBE)

Due to the nature of the contract, however, the actual percentage use of the above-mentioned subconsultants is dependent upon the actual tasks authorized by the City and the type of work required as part of those tasks. Currently, Earth Tech anticipates up to 60% of the contract will use subconsultants, half of which are MBE/WBE/DBE/DVBE consultants.

CONCLUSION

MWWD is currently in the midst of a large Capital Improvement Program that requires ongoing support in program management and construction management. It is prudent to retain MWWD's current Construction Manager and Program Manager to complete tasks already begun. In anticipation of future needs, and to provide for uninterrupted service, MWWD recommends issuing a contract to Earth Tech, Inc. to provide future MWWD Program Management and Construction Management services.

ALTERNATIVE

1. Do not enter into an agreement with Earth Tech, Inc. for Program Management and Construction Management services at this time. This alternative is not recommended because of the time constraints placed upon the City to comply with federal wastewater system requirements. In addition, City staff would need to be hired to meet a fluctuating workload. Due to the current workload, and the projected future workload, it would not be efficient, timely or cost-effective to try to provide these services with City staff at this time, as there is an immediate need for staff to implement the plans required by the Administrative Order. It is anticipated that in the future, some of the work being done by consultants can be transitioned to existing City staff.

Respectfully submitted,

Scott Tulloch
Director
Metropolitan Wastewater Department

Approved: Richard Mendes
Utilities General Manager

MENDES/TULLOCH/CME:oc